

Article - Real Property

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§8–202.

(a) For the purposes of this section, a “lease option agreement” means any clause in a lease agreement or separate document that confers on the tenant some power, either qualified or unqualified, to purchase the landlord’s interest in the property.

(b) (1) A lease option agreement to purchase improved residential property, with or without a ground rent:

(i) If executed after July 1, 1971, shall contain the following statement in capital letters: “THIS IS NOT A CONTRACT TO BUY.”; and

(ii) If executed on or after July 1, 2018, shall also contain the following statement in capital letters and in close proximity to the tenant’s signature line:

“THIS AGREEMENT IS AN INTEGRAL PART OF YOUR LEASE AND IS GOVERNED BY TITLE 8 OF THE REAL PROPERTY ARTICLE OF THE ANNOTATED CODE OF MARYLAND AND A TENANT OR PROSPECTIVE TENANT SHALL HAVE ALL APPLICABLE RIGHTS AND REMEDIES PROVIDED UNDER THAT TITLE.”.

(2) In addition, the agreement shall contain a clear statement of its purpose and effect with respect to the ultimate purchase of the property which is the subject of the lease option.

(c) If a lease option agreement fails to comply with subsection (b) of this section and is otherwise enforceable, the lease, the lease option agreement, or both may be voided at the option of the party that did not draft the lease option agreement.

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